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ABSTRACT

With the trend toward early retirement and the fact that people are living to an older average age, more years of an individual's life will be spent in retirement. To examine personal values as psychological determinants of the retirement preparation process, 206 classified university employees, between the ages of 50 and 65 years of age, completed the Retirement Preparation Indexes and the Rokeach Value Survey. A value profile was established for each level of preparation (low or high) by computing median rankings for each value for all respondents in the category. An analysis of the results showed that preretirees with a high level of retirement preparation preferred terminal values which were action-oriented and self-actualizing, and instrumental values which emphasized virtuous and altruistic, self-assertive, and cognitive interests, e.g., a sense of accomplishment, wisdom, social recognition, and inner harmony. Persons scoring low on the Retirement Preparation Indexes showed a preference for more self-centered and hedonistic terminal values, and for instrumental values that were other-directed in nature, e.g., obedient, polite, forgiving. The findings suggest that value orientation may be a meaningful predictor of preretirement planning. (BL)

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PERSONAL VALUES: PSYCHOLOGICAL DETERMINANTS OF RETIREMENT PREPARATION

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Abstract

Two hundred and six classified university employees between the ages of 50 and 65 were participants in this study to examine the relationship between retirement preparation and personal value orientations. Preretirees completed two instruments: the Retirement Preparation Indexes and the Rokeach Value Survey. A value profile was established using median rankings which were then compared using the Kruskal-Wallis H Test. Preretirees showing a high level of retirement preparation preferred values which were action oriented, self-actualizing, virtuous and altruistic. Persons scoring low on the Retirement Preparation Indexes showed a preference for the more self-centered and hedonistic types of values. Significant differences were found for both terminal and instrumental values between groups of retirees. The results of this study indicate that personal values may be meaningful indicators of retirement preparation.

Personal Values: Psychological Determinants of Retirement Preparation

With both the trend toward early retirement (Barfield & Morgan, 1969) and the fact that people are living to an older average age, more years of the individual's life will be spent in retirement. Research into retirement and adjustment at this time in life has focused on a variety of causal variables: sex differences (Palmore, 1965; Patton, 1977), age and retirement attitude (Ash, 1966; Atchley, 1976; Lehr & Gernot, 1969; Streib & Schneider, 1971), work orientation (Friedman & Havighurst, 1954; Saleh & Otis, 1963; Fillenbaum, 1971), occupational status (Burgess, Corey, Pineo, & Thornbury, 1958; Fillenbaum & Maddox, 1974), income level (Glamser, 1976; Patton, 1977; Saleh & Otis, 1963), retirement planning (Barfield and Morgan, 1969; Riley and Foner, 1968).

The central issue in this investigation concerns the role personal values play in predicting readiness for the life stage transition of retirement. If by knowing that a particular value orientation is important to an individual, can a prediction then be made about his or her level of preparation for retirement? Theoretical models of life stage transitions include values as a component influencing change, but little empirical research has examined the relationship. Sussman (1972) includes values as one of the individual variables in his schema of the retirement process. In another model of life-stage transition (Lowenthal, 1972), values work in connection with a person's specific asperations and motivated behaviors.

The value research which has been conducted has primarily dealt with value change as a result of retirement rather than the effects of values on the process itself. Thurner's (1974) research examined goal setting at the time of retirement, the nature of concrete goals chosen for the next five years and the affect toward these goals, and the direction of stage-linked changes in values. Other investigations have also addressed the issue of value change throughout the lifespan (Lowenthal, Thurner, & Chiriboga, 1975; Ludwig & Eichorn, 1967; Rokeach, 1973).

With the greatest proportion of the retirement research focusing on situational variables, coupled with previous research exploring value change, it is now necessary to examine personal values as psychological determinants in the retirement preparation process.

Methodology

Two hundred and six classified, university employees between 50 and 65 years of age participated in the study. This random sample represents 31% of all classified employees at the university within this age range. Table 1 presents the characteristics of the sample.

Insert Table 1 about here

Preretirees were asked to complete two instruments: the Retirement Preparation Indexes (Tiberi, Boyack, & Kerschner, 1978) and the Value Survey (Rokeach, 1973). The retirement instrument is thirteen indexes composed of Likert-type and category selection

questions designed to measure behavior, information, and attitude toward retirement. The factors of the Retirement Preparation Indexes are: (a) health maintenance behavior, (b) financial planning behavior, (c) community activity behavior, (d) health care information, (e) financial planning information, (f) psychological adjustment information, (g) preretirement zest attitude, (h) preretirement optimism attitude, and (i) functional worth and capability attitude. Three component scores are calculated by the summation of the factors within each area - total behavior, total information, and total attitude. A final composite score, the complete retirement preparation index, is the summation of the three main components, measuring the overall level of preparation for retirement. Using percentile ranks, preretirees were grouped as having high or low preparation on each index.

The Rokeach Value Survey consists of two rank order lists of eighteen personal values. These values are classified as terminal (end-states of existence) and instrumental (modes of being) types.

Statistical Procedure

To examine differences in personal value orientation for different levels of retirement preparation, preretirees were grouped according to their level of preparation (low or high) on each of the nine factors. A similar procedure was followed for the three components and the final total composite of all the factors. A value profile was established for each level of preparation by computing the median ranking for each value for all the respondants in the category. Once this was com-

pleted, comparisons of the median rankings of each value between the two levels of readiness was performed by the Kruskal-Wallis H Test. This statistic is a one-way analysis of variance for non-parametric data which measures whether there are any significant differences (α = .05) in the median rankings of individual values (Siegel, 1956).

Results

Terminal values. Significant differences in the importance of specific terminal values were found on four of the individual indexes: community activity behavior, financial planning information, psychological adjustment information, and preretirement zest attitude. All composite indexes and the complete retirement preparation index also revealed significant differences in rankings of specific terminal values.

Insert Table 2 about here

Preretirees low in retirement preparation on these indexes where differences were found preferred the terminal values a comfortable life, family security, happiness, and pleasure. Eight terminal values were significantly more preferred by preretirees with a high level of preparation: a sense of accomplishment, an exciting life, salvation, wisdom, social recognition, a world of beauty, inner harmony, and true friendship.

Instrumental values. Significant differences in preference of

specific instrumental values were found on all of the individual retirement indexes with the exception of preretirement optimism attitude and functional worth and capability attitude. The composite indexes total behavior and total attitude, as well as, the complete retirement preparation index showed a significant difference in the median ranking of specific instrumental values.

Insert Table 3 about here

Preretirees low in retirement preparation valued imaginative, broadminded, forgiving, and obedient significantly more on specific retirement preparation indexes. Those preretirees scoring high on these indexes preferred the instrumental values honest, helpful, clean, responsible, intellectual, loving, and imaginative.

Discussion

Terminal values. Both individual and composite indexes showed significant differences in terminal values between persons with high and low levels of preparation. A more active orientation, revealed by both the person's community participation as well as the types of values preferred, is characteristic of the better prepared preretirees. On the other end of the scale, preretirees with low preparation are more oriented toward self-centered activities and show a preference for the more hedonistic

type of values. There is also the tendency for persons high in retirement preparation to favor the self-actualizing type of values (e.g., inner harmony, wisdom) versus the more "basic" terminal values preferred by preretirees scoring low on the indexes (e.g., a comfortable life).

The terminal values an exciting life, social recognition, and a sense of accomplishment all appear several times as being significantly more important to preretirees scoring high on different indexes. Because the more basic values have been satisfied, a higher-order life orientation can be taken which these values exemplify. Those with high retirement preparation can work earnestly toward a state of self-actualization (Maslow, 1968) or generativity and ego integrity (Erikson, 1963). When focusing upon the retirement needs of this group, the psychological appear more important than the behavioral or informational.

The more self-centered terminal values of happiness, pleasure, and a comfortable life associated with preretirees low in retirement preparation deal with the present and allow immediate gratification with a strong desire for a close locus of control of their lives. Their limited sphere of community participation as well as an emphasis on values which have an economic base make them vulnerable to unplanned changes upon retirement.

Instrumental values. Preretirees with high preparation on the Retirement Preparation Indexes expressed a broader range of preferred instrumental values than did those with low preparation.

For persons scoring high on the behavior indexes, the values broadminded, honest, and helpful were ranked significantly higher. Rokeach (1973) describes these values as the "virtuous or approved" types of values. Not only do the indexes reveal an active participation in community events and the taking care of important retirement matters, but the values associated with them are those which project an interest in people. The information indexes show this same tendency. Responsible and loving are important values to those with high preparation of financial planning information and psychological adjustment information. Here there is present a combination of self-assertive and altruistic values. Persons who are prepared to deal with the transition of retirement are partly this way because of the time they spend involved with other people and organizations. Developing this type of social network becomes very important when the one established at work no longer exists.

A third set of values portraying the highly prepared preretirees are intellectual and imaginative. Simmon's (1978) also found the value imaginative associated with adults scoring high on Rest's moral judgement competency scale. These higher-order, competence values are seen as the counterpart to the values preferred by less prepared preretirees. The preference for these values indicates a concern to deal with more than the basic needs expressed by less competent valuers.

A much narrower focus was taken by preretirees low in re-

tirement preparation. There is the tendency to value "other-directed" instrumental values as indicated by obedient and polite. Although over half of the indexes show no values to be more important for these preretirees the two above mentioned instrumental values, plus the value forgiving, were preferred on financial planning information, preretirement zest attitude, and the total attitude index. Obedient and polite were also reported by Simmons for people generally low in moral judgement competency. Developmentally it would first be necessary to deal with those values before going on to other, more complex patterns of valuing.

Conclusions

From this investigation, specific value orientations are seen to be associated with a particular level of retirement preparation:

1. Preretirees scoring high on specific retirement indexes preferred terminal values which are categorized as action oriented (community involvement interests) and self-actualizing. Types of instrumental values preferred by these preretirees emphasize virtuous and altruistic, self-assertive, and cognitive interests.

2. Preretirees with low retirement preparation scores preferred the terminal values oriented toward self-centeredness and hedonism. Generally, a more basic, lower-order type of value is chosen. Instrumental values of importance to this group are classified as being "other-directed" in nature.

This research would answer in the affirmative the question asked at the beginning of this article concerning predicting retirement preparation if it is known what type of value orientation

a preretiree has. Additional research is needed, however, to know if these findings can be generalized to other groups of preretirees with different personal characteristics.

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Table 1

Characteristics of the Sample

Sample Size:	Men	Women	
	78 (38%)	128 (62%)	
Age:	50 to 54	55 to 59	60 or more
	70 (34%)	84 (41%)	50 (25%)
Income Level:	Less than $10,000/year - 45 (23%) Between $10,000 and $20,000/year - 88 (44%) More than $20,000/year - 65 (33%)		
Occupational Status:	Managerial/Professional - 21 (11%) Skilled Workers - 46 (25%) Clerical - 74 (40%) Other Blue-collar Workers - 44 (24%)		
Marital Status:	Married	Not Married	
	147 (72%)	58 (28%)	
Education:	Less than high school - 29 (14%) High School Graduate - 62 (31%) Some college - 86 (43%) College Graduate - 25 (12%)		
Proximity to Retirement:	Less than 5 years - 64 (38%) 5 to 9 years - 60 (35%) 10 years or more - 46 (27%)		
Retirement Decision Preference:	Mandatory - 68 (35%) Voluntary - 127 (65%)		

Table 2

Retirement Preparation Indexes and Terminal Values

Retirement Preparation Indexes	Level of Preparation					
	Low			High		
	Value	Kruskal-Wallis H	p	Value	Kruskal-Wallis H	p
Health Maintenance Behavior		N.S.			N.S.	
Financial Planning Behavior		N.S.			N.S.	
Community Activity Behavior	a comfortable life	14.0895	.001	a sense of accomplishment	7.5663	.05
	family security	6.5436	.05	an exciting life	7.9630	.05
	happiness	9.7429	.01	salvation	8.3222	.05
	pleasure	21.2711	.001	wisdom	17.1448	.001
Health Care Information		N.S.			N.S.	
Financial Planning Information	happiness	12.5929	.005	social recognition	10.6056	.005
Psychological Adjustment Information	pleasure	9.8528	.001		N.S.	
Preretirement Zest Attitude	a comfortable life	8.4686	.01	an exciting life	7.5670	.05
	happiness	7.8110	.05	a world of beauty	7.7781	.05
				inner harmony	8.4943	.01
Preretirement Optimism Attitude		N.S.			N.S.	
Functional Worth and Capability Attitude		N.S.			N.S.	
Total Behavior	a comfortable life	11.4006	.005	an exciting life	12.7338	.005
	happiness	9.9747	.01	social recognition	6.6707	.05
	pleasure	12.0463	.005	wisdom	8.0372	.05
Total Information	happiness	13.4270	.001	social recognition	8.1697	.05
	pleasure	8.3589	.05			
Total Attitude		N.S.			N.S.	
Complete Retirement Preparation Index	happiness	19.1545	.0001	an exciting life	6.0686	.05
	pleasure	12.3143	.005	a sense of accomplishment	7.5923	.05
				social recognition	16.9903	.0005
				true friendship	6.3534	.05

Table 3

Retirement Preparation Indexes and Instrumental Values

Retirement Preparation Indexes	Level of Preparation					
	Low			High		
	Value	Kruskal-Wallis H	p	Value	Kruskal-Wallis H	p
Health Maintenance Behavior		N.S.		broadminded honest	8.7111 6.6363	.01 .05
Financial Planning Behavior	imaginative	6.9592	.05	honest	6.8252	.05
Community Activity Behavior	broadminded	7.2628	.05	helpful	8.0315	.05
Health Care Information		N.S.		clean	12.5379	.005
Financial Planning Information	forgiving obedient	6.0736 6.2278	.05 .05	responsible intellectual	6.3360 6.8136	.05 .05
Psychological Adjustment Information		N.S.		loving	7.9915	.05
Preretirement Zest Attitude	obedient polite	15.2418 7.2283	.0005 .05	imaginative intellectual	11.6598 10.0171	.005 .01
Preretirement Optimism Attitude		N.S.			N.S.	
Functional Worth and Capability Attitude		N.S.			N.S.	
Total Behavior		N.S.		imaginative	9.8715	.01
Total Information		N.S.			N.S.	
Total Attitude	obedient	6.6580	.05		N.S.	
Complete Retirement Preparation Index		N.S.		imaginative	7.6844	.05